

Message Text

LIMITED OFFICIAL USE

PAGE 01 SINGAP 00707 220943Z

ACTION EB-08

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03 SS-15

NSC-05 /049 W

-----220946 127404 /22

P 220800Z FEB 77

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC PRIORITY 7155

INFO AMEMBASSY JAKARTA PRIORITY

LIMITED OFFICIAL USE SINGAPORE 0707

E.O. 11652: N/A

TAGS: EAIR, SN, US

SUBJECT: CIVAIR-ELECTRONIC FREIGHT RATES

REFS: (A) 76 STATE 281458, (B) 76 SINGAPORE 4758, (C) 76 SINGAPORE

5312, (D) 76 STATE 296572

JAKARTA PLEASE PASS CIVAIR DELEGATION

E.O. 11652: N/A

TAGS: EAIR, SN, US

SUBJECT: CIVAIR- ELECTRONIC FREIGHT RATES

SUMMARY. GOS PURSUES QUESTION OF "DISCRIMINATORY"

AIR CARGO RATES FOR ELECTRONIC COMPONENTS TO U.S. WEST COAST,

ASK FOR INFORMATION ON FILING "COUNTERPROPOSAL" BEFORE CAB AND

SUGGESTS UPCOMING CIAIR TALKS AS APPROPRIATE VENUE FOR

DISCUSSING MATTER. END SUMMARY.

1. LIM CHEE ONN, DIRECTOR OF MINISTRY OF COMMUNICATIONS, HAS
ASKED EMBASSY FOR INFORMATION ON PROPER PROCEDURE FOR FILING
ITS SUGGESTED AIR FREIGHT RATES FOR ELECTRONICS COMPONENTS
BEFORE CAB. LIM REFERS TO CAB MEMORANDUM (REFTEL A) AND ARGUES
THAT APPROVED RATES DISCRIMINATE AGAINST SINGAPORE BECAUSE (A)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SINGAP 00707 220943Z

LOWER UNIT COSTS FOR LONG-HAUL SERVICE ARE NOT TAKEN INTO ACCOUNT,

(B) PRINCIPLE OF DECLINING YIELD PER REVENUE TON MILE WITH

INCREASING ROUTE MILEAGE IS VIOLATED, (C) PERCENTAGE INCREASE

IN RATES TO SINGAPORE IS HIGHER THAN TO ANY OTHER ASIAN POINT,

AND (D) NEW RATES WILL INCREASE DIFFICULTY OF COMPETING WITH

JAPANESE.

2. GOS PROPOSES THAT AIR FREIGHT RATES FOR ELECTRONIC COMPONENTS BETWEEN U.S. AND SINGAPORE BE FIXED AT RCU 1.87 PER KILO AT 1000 KG; RCU 1.94 AT 500 KG; RCU 2.16 AT 200 KG. APPROVED RATES ARE 2.37/1000 KG; 2.43/500 KG. AND 2.60/200 KG.

3. ANNEXED TO GOS LETTER ARE COMPARISONS OF VARIOUS CARGO RATES BETWEEN LOS ANGELES AND SINGAPORE FOR GENERAL CARGO, SCR 9995 (PERSONAL EFFECTS) AND NEW IATA 4416 RATES FOR ELECTRONICS. YIELD PER REVENUE TON MILE AND MILEAGE ARE SHOWN FOR NINE ASIAN CITIES. COMMENT: ASSUMING GOS FIGURES ARE CORRECT, QUICK STATISTICAL ANALYSIS BY EMBASSY SHOWS ALMOST PERFECT FIT BETWEEN MILEAGE AND YIELD PER REVENUE TON MILE FOR GENERAL CARGO RATE AND SCR 9995 RATE. NEW RATES, HOWEVER, BREAK DOWN BADLY WHEN REGRESSED AGAINST MILEAGE. END COMMENT.

4. LIM SUGGESTS THAT THE UPCOMING CIVAIR TALKS WOULD PRESENT AN OPPORTUNITY FOR DISCUSSING THE QUESTION OF HOW TO FILE THE COUNTERPROPOSALS BEFORE THE CAB. IN ACKNOWLEDGING LI'S LETTER, EMBASSY REITERATED DEPARTMENT'S POINT (REFTEL D) THAT CAB DOES NOT SET AIR RATES, AND ATTEMPTED TO SEPARATE THIS QUESTION FROM CIVAIR TALKS BY SUGGESTING PRESS OF OTHER BUSINESS MAKES CIVAIR DISCUSSIONS AN INAPPROPRIATE VENUE.

5. EMBASSY COMMENT: WE DOUBT THAT GOS HAS ANY ULTERIOR MOTIVE IN MIND BY SUGGESTION THAT SUBJECT COULD BE DISCUSSED WHILE CIVAIR TEAM IS IN TOWN, BUT WE DO NOT WISH TO ENCOURAGE ANY SUCH LINKAGE. GOS COMPLAINT THAT HIGHEST PERCENTAGE INCREASE IN CARGO RATES TO SINGAPORE SHOWS DISCRIMINATION IS OBVIOUSLY FAULTY LOGIC, BUT THEIR MAIN CONTENTION IS THAT PUTTING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SINGAP 00707 220943Z

SINGAPORE ON A "ROUGHLY EQUAL FOOTING" WITH OTHER ASIAN POINTS DOES NOT TAKE INTO ACCOUNT ECONOMIES OF LONG-HAUL TRANSPORTATION. LOCAL PAN AM REP ARTHUR WEE, SAYS, HOWEVER, HE IS EXPECTING A COST ANALYSIS FROM NEW YORK OFFICE TO SHOW EXTENT OF PAN AM LOSSES ON PRESENT CARGO SERVICE.

6. ACTION REQUESTED: EMBASSY WOULD APPRECIATE INFORMATION ON PROPER CHANNELS -- IF ANY -- FOR SUBMISSION OF PROPOSED GOS RATE STRUCTURE TO CAB. WE WILL ALSO BE TRYING TO CONVINCE GOS THAT CAB IS NOT A RATE-SETTER BUT ONLY ACTS TO PREVENT INJUSTICES IN PROPOSED INDUSTRY RATES. COPY OF GOS LETTER AND APPENDICES BEING AIR-POUCHED TO DEPARTMENT AND WILL BE HELD AT EMBASSY FOR CIVAIR TEAM.
HOLDRIDGE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTRONIC EQUIPMENT, AIR TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SINGAP00707
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770060-1144
Format: TEL
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770221/aaaaashv.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 46ea60c3-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 281458, 76 SINGAPORE 4758
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3264094
Secure: OPEN
Status: NATIVE
Subject: CIVAIR-ELECTRONIC FREIGHT RATES
TAGS: EAIR, SN, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/46ea60c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009